



BILLING CODE: 6750-01-S

FEDERAL TRADE COMMISSION

Agency Information Collection Activities;

Proposed Collection; Comment Request

AGENCY: Federal Trade Commission (FTC or Commission).

ACTION: Notice.

SUMMARY: The information collection requirements described below will be submitted to the Office of Management and Budget (OMB) for review, as required by the Paperwork Reduction Act (PRA). The FTC seeks public comments on its proposal to extend, for three years, the current PRA clearance for information collection requirements contained in the rules and regulations under the Fur Products Labeling Act (“Fur Rules”), 16 CFR 301. This clearance expires on April 30, 2015.

DATES: Comments must be received on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Interested parties may file a comment online or on paper by following the instructions in the Request for Comments part of the SUPPLEMENTARY INFORMATION section below. Write “Fur Rules: FTC File No. P074201” on your comment, and file your comment online at <https://ftcpublic.commentworks.com/ftc/furrulespra> by following the

instructions on the web-based form. If you prefer to file your comment on paper, mail or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex J), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street, SW, 5th Floor, Suite 5610 (Annex J), Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: Requests for copies of the collection of information and supporting documentation should be addressed to Robert M. Frisby, 202-326-2098, or Lemuel Dowdy, 202-326-2981, Attorneys, Division of Enforcement, Bureau of Consumer Protection, 600 Pennsylvania Ave., N.W., Washington, D.C. 20580.

SUPPLEMENTARY INFORMATION:

Proposed Information Collection Activities

Under the Paperwork Reduction Act (PRA), 44 U.S.C. 3501-3520, federal agencies must get OMB approval for each collection of information they conduct, sponsor, or require.

“Collection of information” means agency requests or requirements to submit reports, keep records, or provide information to a third party. 44 U.S.C. 3502(3); 5 CFR 1320.3(c). As required by Section 3506(c)(2)(A) of the PRA, the FTC is providing this opportunity for public comment before requesting that OMB extend the existing PRA clearance for the information

collection requirements associated with the Commission’s rules and regulations under the Fur Products Labeling Act (“Fur Rules”), 16 CFR Part 301 (OMB Control Number 3084-0099).¹

The FTC invites comments on: (1) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) the accuracy of the agency’s estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) ways to minimize the burden of the collection of information on those who are to respond. All comments must be received on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Burden Estimates

Staff’s burden estimates are based on data from the Department of Labor’s Bureau of Labor Statistics (“BLS”) and data or other input from the Fur Industry Council of America. The relevant information collection requirements in these rules and staff’s corresponding burden estimates follow. The estimates address the number of hours needed and the labor costs incurred to comply with the requirements.

The Fur Products Labeling Act (“Fur Act”)² prohibits the misbranding and false

¹ The Commission issued the Fur Rules to implement the Fur Products Labeling Act, 15 U.S.C. 69 *et seq.*

² 15 U.S.C. 69 *et seq.*

advertising of fur products. The Fur Rules establish disclosure requirements that assist consumers in making informed purchasing decisions, and recordkeeping requirements that assist the Commission in enforcing the Rules. The Rules also provide a procedure for exemption from certain disclosure provisions under the Fur Act.

The Commission expects that recent amendments to the Fur Act have increased the cost of complying with the Fur Rules as amended.³ Congress eliminated the Commission's power to exempt from the labeling requirements items where either the cost of the fur trim to the manufacturer or the manufacturer's selling price for the finished product is less than \$150.⁴ As a result, more garments are now subject to the Fur Act and Rules, which will impose higher recordkeeping and labeling costs on manufacturers, importers, and retailers.

Estimated annual hours burden: 249,541 hours (64,440 hours for recordkeeping + 185,101 hours for disclosure).

Recordkeeping: The Fur Rules require that retailers, manufacturers, processors, and importers of furs and fur products keep certain records in addition to those they may keep in the ordinary course of business. Staff estimates that 1,230 retailers incur an average recordkeeping burden of about 18 hours per year (22,140 hours total); 90 manufacturers incur an average recordkeeping burden of about 60 hours per year (5,400 hours total); and 1,230 importers of furs and fur products incur an average recordkeeping burden of 30 hours per year (36,900 hours

³ *Final Rule*, 79 FR 30445 (May 28, 2014) (effective date of November 19, 2014).

⁴ Truth in Fur Labeling Act, Public Law 111-313.

total). The combined recordkeeping burden for the industry is approximately 64,440 hours annually.

Disclosure: Staff estimates that 1,320 respondents (90 manufacturers + 1,230 retail sellers of fur garments) each require an average of 30 hours per year to determine label content (39,600 hours total), and an average of ten hours per year to draft and order labels (13,200 hours total). Staff estimates that the total number of garments subject to the fur labeling requirements annually is approximately 1,610,000.⁵ Staff estimates that for approximately 50 percent of these garments (805,000) labels are attached manually, requiring approximately four minutes per garment for a total of 53,667 hours annually. For the remaining 805,000, the process of attaching labels is semi-automated and requires an average of approximately five seconds per item, for a total of 1,118 hours. Thus, the total burden for attaching labels is 54,785 hours, and the total burden for labeling garments is 107,585 hours per year (39,600 hours to determine label content + 13,200 hours to draft and order labels + 54,785 hours to attach labels).

Staff estimates that the incremental burden associated with the Fur Rules' invoice disclosure requirement, beyond the time that would be devoted to preparing invoices in the absence of the Rules, is approximately one minute per invoice for garments and thirty seconds

⁵ The total number of imported fur garments, fur-trimmed garments, and fur accessories is estimated to be approximately 1,400,000 based on industry data. Estimated domestic production totals 210,000.

per invoice for pelts.⁶ The invoice disclosure requirement applies to fur garments, which are generally sold individually, and fur pelts, which are generally sold in groups of at least 50, on average. Assuming invoices are prepared for sales of 1,610,000 garments, the invoice disclosure requirement entails an estimated burden of 26,833 hours (1,610,000 invoices x one minute). Based on information from the Fur Industry Council of America, staff estimates total sales of 8,900,000 pelts annually. Assuming invoices are prepared for sales of 178,000 groups (derived from an estimated 8,900,000 pelts ÷ 50) of imported and domestic pelts, the invoice disclosure requirement entails an estimated total burden of 1,483 hours (178,000 total invoices x thirty seconds). Thus, the total burden for invoice disclosures is 28,316 hours.

Staff estimates that the Fur Rules' advertising disclosure requirements impose an average burden of 40 hours per year for each of the approximately 1,230 domestic fur retailers, or a total of 49,200 hours.

Thus, staff estimates the total disclosure burden to be approximately 185,101 hours (107,585 hours for labeling + 28,316 hours for invoices + 49,200 hours for advertising).

Estimated annual cost burden: \$4,657,902 (solely relating to labor costs). The chart below summarizes the total estimated costs.

Task	Hourly Rate	Burden Hours	Labor Cost
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⁶ The invoice disclosure burden for PRA purposes excludes the time that respondents would spend for invoicing, apart from the Fur Rules, in the ordinary course of business. See 5 CFR 1320.3(b)(2).

Determine label content	\$ 26.00	39,600	\$1,029,600
Draft and order labels	\$ 17.00	13,200	\$224,400
Attach labels	\$ 10.00 ⁷	54,785	\$547,850
Invoice disclosures	\$ 17.00	28,316	\$481,372
Prepare advertising disclosures	\$ 26.00	49,200	\$1,279,200
Recordkeeping	\$ 17.00	64,440	\$1,095,480
TOTAL			\$4,657,902

Staff believes that there are no current start-up costs or other capital costs associated with the Fur Rules. Because the labeling of fur products has been an integral part of the manufacturing process for decades, manufacturers have in place the capital equipment necessary

⁷ Per industry sources, most fur labeling is done in the United States. This rate is reflective of an average domestic hourly wage for such tasks performed in the United States, which is derived from recent BLS statistics.

to comply with the Rules' labeling requirements.⁸ Industry sources indicate that much of the information required by the Fur Act and Rules would be included on the product label even absent the Rules. Similarly, invoicing, recordkeeping, and advertising disclosures are tasks performed in the ordinary course of business so that covered firms would incur no additional capital or other non-labor costs as a result of the Act or the Rules.

Request for Comments

You can file a comment online or on paper. Write "Fur Rules: FTC File No. P074201" on your comment. Your comment -- including your name and your state -- will be placed on the public record of this proceeding, including, to the extent practicable, on the public Commission website, at <http://www.ftc.gov/os/publiccomments.shtm>. As a matter of discretion, the Commission tries to remove individuals' home contact information from comments before placing them on the Commission website.

Because your comment will be made public, you are solely responsible for making sure that your comment does not include any sensitive personal information, such as a Social Security number, date of birth, driver's license number or other state identification number or foreign

⁸ Although items previously exempt from the labeling requirements must now be labeled regarding their fur content, the Textile and Wool Rules, found at 16 CFR 303 and 16 CFR 300, respectively, already required many such items to have fiber content labels. Hence, manufacturers likely have in place the equipment needed to comply with the additional labeling requirements.

country equivalent, passport number, financial account number, or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, such as medical records or other individually identifiable health information. In addition, do not include any “[t]rade secret or any commercial or financial information which is . . . privileged or confidential,” as discussed in Section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2). In particular, do not include competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

If you want the Commission to give your comment confidential treatment, you must file it in paper form, with a request for confidential treatment, and you must follow the procedure explained in FTC Rule 4.9(c), 16 CFR 4.9(c). Your comment will be kept confidential only if the FTC General Counsel, in his or her sole discretion, grants your request in accordance with the law and the public interest. Postal mail addressed to the Commission is subject to delay due to heightened security screening. As a result, the Commission encourages you to submit your comments online. To make sure that the Commission considers your online comment, you must file it at <https://ftcpublic.commentworks.com/ftc/furrulespra> by following the instructions on the web-based form. If this Notice appears at <http://www.regulations.gov>, you also may file a comment through that website.

If you file your comment on paper, write “Fur Rules: FTC File No. P074201” on your comment and on the envelope, and mail it to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, N.W., Suite CC-5610, (Annex J), Washington, D.C. 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street, S.W., 5th Floor, Suite 5610, (Annex J), Washington, D.C. 20024. If possible, submit your paper comment to the Commission by courier or overnight service.

The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. You can find more information, including routine uses permitted by the Privacy Act, in the Commission’s privacy policy, at <http://www.ftc.gov/ftc/privacy.htm>.

David C. Shonka,
Principal Deputy General Counsel.

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